# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:2265
ANSWERED ON:28.07.2017
Loan to Agricultural Sector
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**Will the Minister of FINANCE be pleased to state:**

(a) whether the Government has issued the guidelines to the schedule commercial banks to provide 18 per cent loans to the agriculture sector in total loans given by them;

(b) if so, the details of bank's loan given to the agriculture sector during the last two years along with its percentage to the agriculture sector in Adjusted Net Banks Credit given by these banks; and

(c) the details of action taken against the banks so far for violating the above guidelines issued by the Government?

## Answer

The Minister of State in the Ministry of Finance

(a) to (c): As per extant directions of Reserve Bank of India (RBI) on Priority Sector Lending (PSL), a target of 18 per cent of Adjusted Net Bank Credit (ANBC) or Credit Equivalent of Off-Balance Sheet Exposure (CEOBE) has been prescribed to all Scheduled Commercial Banks (excluding Regional Rural Banks) for Agriculture.
Details of loan given to the agriculture sector by scheduled commercial banks during the last two years along with its percentage to Adjusted Net Banks Credit (ANBC) as reported by RBI is as under:
(Amount in Rs. crore)
Year Agriculture Advances
Amount % of ANBC
2016 1166080.168 17.05
2017 1265218.762 16.88

As per the Master Direction dated 07.07.2017 issued by RBI on PSL-Targets and Classification Scheduled Commercial Banks having any shortfall in lending to priority sector shall be allocated amounts for contribution to the Rural Infrastructure Development Fund (RIDF) established with NABARD and other Funds with NABARD/NHB/SIDBI/ MUDRA Ltd., as decided by the Reserve Bank from time to time. The interest rates on banks' contribution to RIDF or any other Funds, tenure of deposits, etc. shall be fixed by RBI from time to time.